Coop

April 22, 1985

Mr. Jeff Treeman
United Video Inc.
3801 S. Sheridan Road
Tulsa OK 74145

APR 25 1985
MARKETING DEPT.
UNITED VIDEO, INC.

Dear Jeff:

Until now there has been no definitive information about who is buying home satellite television systems.

A lot of guesswork, a lot of hype, but no facts for anybody to hang their marketing plans on.

This situation is about to change!

The First Communications Group, publisher of The Home Satellite Newsletter, has just completed the first major, comprehensive study of home satellite owners - who they are, why they bought their systems, what they like about them, what they watch, whether they could have had cable, whether they have had cable, their experience with dealers.

And, how they feel about scrambling - which channels they would pay for and how many they'd have to get before they would consider paying for anything.

We are pleased to offer you the opportunity to subscribe to this important study.

PURPOSE:

The study was designed to provide all of those participating in the growth of the home satellite industry with a solid understanding of the structure and dynamics of the marketplace. It was also designed to serve as a benchmark against which future growth will be measured.

The study contains questions of interest to programmers, cable operators, home satellite dealers, distributors and hardware manufacturers, consumer electronics manufacturers, the financial and media communities.

METHODOLOGY:

The study is based on over 1000 interviews with home satellite owners.

A seven-page questionnaire was mailed to heads of households using a stratified sample with names randomly drawn within each stratum.

THE FIRST COMMUNICATIONS GROUP
A CommTek Company.
1730 N. Lynn St., Suite 605, Arlington, Virginia 22209 (703) 243-4646 Publisher of The Home Satellite Newsletter.

The mailing took place during early March 1985.

Sample design, field work and tabulation are being implemented by Market Facts, Inc., New York, the sixth largest full service research and consulting firm in the country. Market Facts has special expertise in mail panel research.

Study design, analysis and report are the responsibility of Hazel Kahan, Ph.D., an independent consultant specializing in consumer acceptance of new media technologies. Dr. Kahan has held executive positions at Warner Amex and COMSAT.

SCOPE OF THE STUDY:

Please see the attached list for the areas the study covers.

AVAILABILITY OF RESULTS:

A full analytic report, complete with interpretation and implications, and supported by a separate volume of computer tables, will be available in early May.

COST:

The report with its accompanying tables is available for $1995.

For those subscribing to The Home Satellite Newsletter, the price is $1495.

I think you will find this study extremely useful both in developing and implementing strategies to take advantage of the opportunities in home satellite television.

More importantly, since we've underwritten the cost of the study, you can have access to this critical research without investing an arm and a leg!

Next week, I will give you a call to see if you have any questions about the study or any special needs we might be able to help you with.

Jeff - How are you! Let's have a drink/dinner at the NCTA. K

Sincerely,

Kate

Kate Hampford
Director, Data Base & Research

P.S. Please take a minute to look over the areas the study covers - you could find we've already got answers to questions you've been asking about the home satellite industry!

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THE HOME SATELLITE TELEVISION OWNERS' STUDY

SCOPE OF THE STUDY:

1. Length of ownership
2. Reasons for buying system
3. Signal availability:
    a. Before and after purchasing system
    b. From cable
4. Previous cable history
5. Evaluation of home satellite television versus cable
6. How system was paid for
7. Satisfaction with system
8. Factors influencing brand decision
9. Satisfaction with dealer:
    a. At time of sale
    b. Since purchase
10. Contact with dealer since purchase:
    a. Frequency
    b. Reason
    c. Whether owner had to pay for contact
11. Whether dealer is still in business
12. Household television consumption by origination category: networks, cable, independents
13. Household television consumption by 18 programming categories by weekday and weekend
14. Household television consumption by network, 30 major pay and basic cable and independent channels
15. Household "favorites" by 30 major pay and basic cable and independent channels
16. Awareness of scrambling
17. Willingness in principle to pay for decoding equipment and monthly subscription
18. Which ten and which five channels would have to be included in a $20 package
19. Which channels, if scrambled, would represent perceived loss of investment in hardware
20. Minimum number of channels a $20 package would have to include
21. Awareness of audio and stereo capabilities
22. Usage of FM stations
23. Use of program guide
24. Number of TV sets
25. Number of TV sets connected to home satellite system
26. Other electronics connected to system
27. Ownership and planned ownership of consumer electronics including home satellite components

28. Home satellite system data:
    a. Who installed
    b. Where installed
    c. Whether it increases property value
    d. Whether system would be removed if household moves
29. Demographics:
    a. Age
    b. Sex
    c. Income
    d. Employment status
    e. Occupation
    f. Education
    g. Geography: rural, urban, suburban
    h. Home ownership
    i. Time at present address
    j. Intent to move
    k. Household size